

TOP SECRET

17 May 1955

NATIONAL INTELLIGENCE ESTIMATE - NIE 11-3-55
(Supersedes NIE 11-4-57)

SOVIET CAPABILITIES AND PROBABLE SOVIET COURSES OF ACTION THROUGH 1960

THE PROBLEM

To examine the political, economic, scientific, and military strengths and weaknesses of the USSR and to estimate probable Soviet courses of action through 1960.

CONCLUSIONS

Political

1. The totalitarian character of the Soviet political system is unlikely to be altered in any important respect during the period of this estimate. It appears that a struggle for personal power, probably in a context of differences over policy, has been going on within the small ruling group and is as yet unresolved. Although this struggle may be sharpened during the period of this estimate, we continue to believe that it will be confined to the small group at the apex of the power structure, and will not result in open violence involving the police or military forces. (Paras. 22-26)

2. The relations between the USSR and Communist China are probably now conducted as between allied powers having common interests and a common ideology, but also separate and potentially conflicting national objectives. Despite the possibility of some frictions between the two countries, they will almost certainly maintain a relationship of close alliance throughout the period of this

estimate. The continuing dependence of Communist China on the USSR for support of its military and economic programs gives the USSR great influence over Chinese policy, but this would probably not be decisive in matters which the Chinese believed involved their own vital interests.¹ (Para. 32)

Economic

3. Soviet economic policy during the period of this estimate will almost certainly be directed primarily toward a continued rapid growth of basic economic and military strengths and the maintenance of high peacetime levels of military

¹ The Director of Naval Intelligence and the Deputy Director for Intelligence, The Joint Staff, consider that this paragraph overstates the degree of independence which Communist China enjoys in matters of major policy. They believe, therefore, that the last clause should be deleted, and the following substituted:

"We believe therefore that the Soviet leaders would almost certainly be able to apply sufficient pressure, including the curtailment, and if necessary the withdrawal, of economic and military aid, in order to obtain Chinese conformity to Soviet views."

TOP SECRET

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1

TOP SECRET

2

production. Heavy industry will continue to be the primary focus of Soviet economic activity. (Para. 41)

4. The rate of growth of the Soviet economy has been declining in recent years and will continue to decline during the period of this estimate. We estimate that the annual increase in Soviet gross national product (GNP) by 1960 will probably be slightly less than five percent, compared to a seven percent increase in 1954. Although absolute defense expenditures apparently are to increase markedly in 1955 over 1954, we believe that they will probably increase henceforth at a slower rate and will be about 15 percent higher in 1960 than in 1955. (Para. 43)

5. The expansion of agricultural production and the procurement of foodstuffs for the cities are problems which will continue to plague Soviet leaders during the period of this estimate. Some of the more recent agricultural measures like the "new lands" program and the corn cultivation campaign appear to be less realistic than the measures announced earlier. Although the results achieved will almost certainly fall far short of plans for a nearly 100 percent increase, we estimate that, with average weather conditions, there will be approximately a 30 percent increase in agricultural production in 1960 over 1954. Per capita consumption will probably rise, although at a rate far more modest than that held out to the people in the government's statements of 1953. (Paras. 57-62)

6. We estimate that in 1960 Soviet GNP will be roughly two-fifths that of the US, as compared with about one-third in 1954; however, the US economy will prob-

ably continue to draw ahead in absolute terms, the dollar gap between the two economies increasing from \$228 billion to about \$269 billion. The USSR allocates an exceptionally large volume of resources to investment and defense—in the case of investment about four-fifths and in defense about one-half the amounts allocated to these sectors in the US economy. (Para. 42)

7. The Soviet regime will, in the pursuit of its objectives, continue to face difficult choices in resource allocation. On the one hand, increasingly heavy investment outlays will be needed in order to maintain high rates of economic growth. On the other hand, military requirements constitute the chief competitor for the resources on which investment must draw. Consequently, if the Soviet regime should choose to increase military expenditures at a rate substantially higher than we have estimated in paragraph 4 above, a reduction in the rate of growth of the economy as a whole and in consumption levels would result. (Paras. 43, 56)

Military

8. We believe that, generally speaking, the personnel strength of Soviet and other Bloc forces will remain substantially unchanged during the period of this estimate. However, the over-all effectiveness of these forces will increase, mainly because of the following factors:

a. Introduction into the Soviet Air Force during the present year of supersonic interceptors, jet heavy bombers, and four-engine turbo-prop aircraft, probably heavy bombers; an increase in the number of all-weather fighters and jet medium bombers;

TOP SECRET

TOP SECRET

3

b. A great increase in numbers of nuclear weapons, and in the range of yields derived from these weapons;

c. A great increase in the number of long-range submarines;

d. Generally improved and modernized weapons available to Soviet ground forces, together with changes in organization and tactics designed to adapt these forces to nuclear warfare.

If the USSR in fact develops the guided missiles which we estimate to be within its capabilities, these will provide a significant increment to over-all Soviet military effectiveness. (Paras. 103, 144)

9. At present the main Soviet offensive strength lies in the capability to mount large-scale ground attacks against Western Europe, together with air attacks against Western Europe and the UK and an extensive submarine campaign to disrupt the flow of reinforcements and supplies from North America. During the period of this estimate the additions to Soviet air strength listed above will increase very markedly the ability of the USSR to launch air attacks against distant targets, including the continental US. The growing submarine force will also pose a greatly increased threat to allied naval forces and shipping. (Paras. 133-134, 138)

10. During the period of this estimate the Bloc air defense system will probably be substantially strengthened by greater operational experience and by the introduction into operational units of new fighter types (including all-weather), new anti-aircraft weapons, improved early warning and GCI equipment, and guided missiles. However, in view of the increasing capabilities of offensive weapons

and improved techniques in counter-measures, Soviet air defense capabilities will probably remain inadequate to prevent attacking forces from reaching critical target areas of the USSR. (Para. 137)

11. The chief limitations on Soviet armed forces are likely to arise from the vast size of the USSR, the great distances from main interior sources of supply to several main operational areas, the relatively inadequate road and rail network, and the acute shortage of Bloc-registered shipping. The Soviet rail system would be vulnerable to air attack in general war, and Soviet armed forces would eventually suffer logistical difficulties, especially in operations in the Far East. Other deficiencies during the period of this estimate will probably be in experience and training for long-range air operations, and in certain equipment for air defense, together with lack of capability for long-range amphibious and surface naval operations. The questionable political reliability and relatively low combat effectiveness of many of the Satellite forces will continue to limit their usefulness to the USSR, especially for offensive operations. (Paras. 103-104, 124)

Probable Courses of Action

12. We believe that the principal immediate objectives of Soviet external policy during the period of this estimate will be: (a) to promote the political and economic instability of non-Communist states, and to render them incapable of decisive action by fostering and exploiting neutralism and dissensions within and among them; (b) to bring about the withdrawal of US power from its present advanced bases around the periphery of

TOP SECRET

TOP SECRET

4

the Bloc; (c) to impede or offset the rearmament of West Germany and its association with the Western Powers; and (d) to detach Japan from the sphere of Western influence and encourage its closer association with the Sino-Soviet Bloc. At the same time the USSR will continue to pursue its fundamental aim of expanding Communist influence and, as opportunities develop, of extending the area of Communist control. (Para. 158)

13. The Soviet leaders probably now believe (a) that general war would present formidable hazards to the survival of their system, and (b) that they can make progress toward their objectives by political action, and in some cases by localized military action. Therefore, we believe that during the period of this estimate the Kremlin will try to avoid courses of action, and to deter Communist China from courses of action, which in its judgment would clearly involve substantial risk of general war. The Soviet leaders are unlikely to believe that Soviet, Communist Chinese, or European Satellite forces can be used in open attacks across recognized state frontiers during this period without running such a risk. However, the USSR or one of the Sino-Soviet Bloc countries might engage in indirect aggression or take action which would create a situation in which the US or its allies, rather than yield an important position, would take counteraction which could lead to general war.

We believe, moreover, that the Kremlin would not be deterred by the risk of general war from taking counteraction against a Western action which it considered an imminent threat to Soviet security. Thus, general war might occur during the period of this estimate as the

climax of a series of actions and counteractions, initiated by either side, which neither side originally intended to lead to general war. (Para. 159)

14. We believe that the USSR will, despite the growth of its nuclear capability during the period of this estimate, continue to try to avoid substantial risk of general war, since the Soviet leaders will probably still not be confident that they could attack the US with nuclear weapons without exposing the USSR to an even more devastating counterblow. However, as their nuclear capabilities grow, Soviet leaders may come to estimate that the US, because of fear for itself or for its allies, or because of pressures exerted by its allies, will be increasingly deterred from initiating the devastation entailed in a full-scale nuclear war. They may therefore come to believe that local wars will be less likely than at present to expand into general war, and thus that superior Bloc military capabilities in certain local areas can be exercised without substantial risk of provoking general war. (Para. 161)

15. We believe that Soviet diplomacy during the period of this estimate will not be directed toward a general settlement between the USSR and the West. It will almost certainly continue to combine moves intended to ease international tensions with other moves which increase such tensions, and with political warfare pressures calculated to play upon the non-Communist world's fear of war. At present the USSR is engaged in very active diplomacy on a number of important issues — Austria, disarmament, Yugoslavia, Japan — and has made important concessions, though no apparent important sacrifices as yet. We believe that

TOP SECRET

TOP SECRET

5

the current Soviet diplomatic efforts are directed primarily toward preventing the rearmament of Germany in close alliance with the West, and that the ground is being prepared for new Soviet proposals on this subject, perhaps at Four Power meetings during this summer. We also believe that in connection with the forthcoming peace treaty negotiations with Japan the USSR is likely to make some concessions in the hope of promoting frictions in the relations of Japan with the US and encouraging Japanese neutralism. (Para. 162)

16. It is possible, however, that the Soviet leaders also desire a substantial and prolonged reduction in international tensions that would not only prevent German rearmament but also further their other objectives, including US withdrawal from advanced bases and a reduction of the incentive for the West to maintain its present defense efforts. The Soviet leaders may also feel that such a reduction of international tensions is desirable because of the pressure of their own internal problems. (Para. 163)

17. The principal objective of Soviet policy in Europe is to obtain a solution of the German problem favorable to Soviet interests. Prevention or slowing down of West German rearmament and blocking the development of West Germany's ties with the NATO powers have first priority. To achieve these aims, Soviet policy will almost certainly make great efforts to influence the situation in West Germany itself. The Soviet leaders probably calculate that by sedulous encouragement of German hopes for unification they can, for a limited time, increase neutralist feeling in West Germany, complicate the relations of the West German Govern-

ment with its NATO partners, and undermine unity of purpose within the NATO alliance. The settlement of the Austrian problem, together with the recent Soviet proposals on disarmament and the current advances to Yugoslavia, may indicate a Soviet willingness, in the course of further negotiations, to give up control of East Germany in exchange for a guaranteed neutralization of a united Germany and a Soviet share in international control over German armament. We believe that the chances of such a development are less than even.² (Paras. 166-167, 170)

18. If such measures did not, in the Soviet view, succeed in countering the developing threat of West German rearmament, we believe that the USSR would turn to more rigorous policies, including a sharp build-up of Soviet and Satellite military capabilities. It might also adopt more threatening courses of action against Berlin, or in the Far East, or elsewhere, with the purpose of arousing fear of nuclear war in the West and causing Western peoples to demand that their governments pursue a cautious policy. We believe that even at this stage the USSR would still avoid courses of action which in its judgment clearly entailed the probability of general war. (Para. 169)

19. We believe that the USSR is in substantial agreement with Chinese Communist objectives to destroy the Chinese Nationalist Government and to gain control

² The Special Assistant, Intelligence, Department of State, believes that the estimate contained in the last sentence of this paragraph should read:

"We believe that the likelihood of such a development is small, primarily because it seems to us that its uncertainties and disadvantages, from the Soviet point of view, would far outweigh its advantages."

TOP SECRET

TOP SECRET

6

of all territory held by it. The primary Soviet interest in issues arising in the area of the Formosa Strait is to exploit them in such a way as to sow distrust of the US among neutral nations and to promote a maximum of discord between the US and its allies. We believe that Moscow might see certain advantages in clashes between Chinese Communist and US forces, provided it believed that the clashes would be limited and localized. However, we also believe that the USSR will seek to restrain Peiping from adopting policies which in the Soviet view would carry grave risks of major hostilities between the US and Communist China, since the Soviet leaders probably believe that such hostilities would also entail grave risk of Soviet involvement. (Para. 173)

20. The Soviet leaders probably consider that if major hostilities between Communist China and the US should occur, the USSR would be presented with extremely grave choices. They would probably give the Chinese Communists support in weapons and material, and the scale of this aid would probably increase in proportion to the threat to the Chinese Communist regime. As hostilities expanded and the threat to the Chinese Communist regime increased, they would probably engage Soviet forces in defensive operations, to the extent that they felt they could plausibly deny such involvement. Should the conflict progress so far that destruction of the Chinese Communist regime appeared probable, we believe that the Soviet leaders would recognize that

open intervention on their part sufficient to save the Chinese regime would involve extremely grave risk of general war with the US with its consequent threat to the survival of the Soviet system. In deciding upon a course of action, the Soviet leaders would have to weigh the strengths which they could bring to bear in the struggle against those which would be opposed to them, and the dangers to their own regime of a possible global war with the US against the strategic and psychological consequences to them of destruction of the Chinese Communist regime. We believe, on balance, they would conclude that loss of the Chinese Communist regime would be sufficiently damaging and final to cause them to resort to open intervention to save that regime.³ (Para. 174)

21. Southeast Asia will almost certainly appear to the USSR to be the most profitable field for the extension of Communist influence, at least during the early period of this estimate. The Soviet leaders will probably continue, in concert with Communist China, to support Communist subversive activities, and possibly localized military action if circumstances are favorable. (Para. 175)

³ The Director of Naval Intelligence, and the Deputy Director for Intelligence, The Joint Staff, believe that the last sentence overstates the willingness of the Soviet leaders to risk their own regime and would substitute for the last sentence:

"On balance, we believe that they would not consider the elimination of the Chinese Communist regime sufficiently damaging, or final, to warrant the risk to their own regime which open intervention would entail."

TOP SECRET